

AMENDED IN SENATE APRIL 1, 2002

**SENATE BILL**

**No. 1460**

**Introduced by Senator Ortiz**

February 15, 2002

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An act to amend Sections 8160.1, 8180, 8183, and 8191 of, and to add Sections 8182.5, 8193.1, 8193.2, and 8194 to, the Government Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 1460, as amended, Ortiz. Capitol Area Plan: R Street Area.

Existing law establishes the capitol area and the project area boundaries of the Capitol Area Plan within the City of Sacramento. Existing law also ~~requires~~ *grants* the Capitol Area Development Authority (CADA) ~~to develop the powers of a redevelopment plan for~~ *agency to direct the development of* the project area within the capitol area of the Capitol Area Plan and authorizes CADA to adopt documents necessary or convenient to, among other things, the allocation of property taxes for the financing of redevelopment in the project area.

This bill would enlarge the capitol area and project area of the Capitol Area Plan to include an area referred to as the R Street Area, as defined. The bill would require the ~~Capitol Area Development Authority (CADA)~~ *CADA* to prepare a redevelopment plan for the R Street Area that furthers the purposes and objectives of the Capitol Area Plan and would require that the plan be approved after published notice and at least one public hearing.

The bill would also require the rehabilitation, development, or construction of very low, low-, and moderate-income replacement housing, as specified, within 4 years of its destruction or removal in the R Street Area. It would establish specified time limits for activity of the

authority. The bill would require CADA to separately account for the use and allocation of the property taxes for the R Street Area.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 8160.1 of the Government Code is  
2 amended to read:

3 8160.1. The following terms, used in this article, shall be  
4 given the following meanings:

5 (a) “Metropolitan area” means the greater metropolitan  
6 Sacramento area, including the City of Sacramento, the County of  
7 Sacramento, and the eastern part of Yolo County.

8 (b) “Central city” means that area of the City of Sacramento  
9 bounded on the north by the American River, on the west by the  
10 Sacramento River, and on the south and east by Interstate Highway  
11 80.

12 (c) “Core area” means that area of the City of Sacramento  
13 within the area bounded by “G” Street on the north, “R” Street  
14 on the south, 5th Street on the west, and 17th Street on the east.

15 (d) “Capitol area” includes both of the following:

16 (1) The area of the City of Sacramento which is bounded on the  
17 north by “L” Street, on the south by “R” Street, excepting that  
18 portion lying between 11th and 12th Streets which southern  
19 boundary shall be the alley lying between “R” and “S” ~~Street~~  
20 ~~Streets~~, on the west by 5th Street, and on the east by 17th Street,  
21 and referring specifically to those blocks within those boundaries  
22 containing state-owned properties. The streets bounding the  
23 Capitol area are included therein, and this does not constitute a  
24 change in, but is declaratory of the existing law.

25 (2) The area of the City of Sacramento which is bounded on the  
26 north by “Q” Street, on the south by “S” Street, on the west by  
27 17th Street, and on the east by the westerly edge of the current  
28 right-of-way for the rail lines running north and south between  
29 19th and 20th Streets, and which is bounded on the north by “R”  
30 ~~Street, on the south by “S” Street, on the west by 7th Street, and~~  
31 ~~on Street, excepting that portion lying between 11th and 12th~~  
32 ~~Streets which northern boundary shall be the alley lying between~~  
33 ~~“R” and “S” Streets, on the south by “S” Street, on the west the~~

1 *10th Street, and on the east by 17th Street, inclusive, of the streets*  
2 *therein.*

3 (e) “Department” means the Department of General Services.

4 (f) “Director” means the Director of General Services.

5 SEC. 2. Section 8180 of the Government Code is amended to  
6 read:

7 8180. The following terms, used in this article, shall have the  
8 following meanings:

9 (a) “Project area” includes both of the following:

10 (1) The area within the City of Sacramento which is bounded  
11 on the north by “L” Street, on the south by “R” Street, excepting  
12 that portion lying between 11th and 12th Streets which southern  
13 boundary shall be the alley lying between “R” and “S” ~~Street~~  
14 ~~Streets~~, on the west by 7th Street, and on the east by 17th Street,  
15 excepting any portion of ~~such~~ *that* area which is within the  
16 boundaries of a redevelopment project area adopted prior to April  
17 1, 1979, by the City of Sacramento pursuant to the Community  
18 Redevelopment Law.

19 The streets bounding the project area are included therein, and  
20 this does not constitute a change in, but is declaratory of the  
21 existing law.

22 Pursuant to an agreement between the authority and the City of  
23 Sacramento, the boundaries of the project area established by this  
24 section may be amended by a resolution adopted by the authority  
25 to include all or any portion of the blocks bounded on the west by  
26 5th Street, on the north by “N” Street, on the east by 7th Street,  
27 and on the south by “P” Street, upon the effective date of an  
28 ordinance adopted by the City of Sacramento amending the  
29 boundaries of the city’s redevelopment project area to detach all  
30 or any portion of those blocks from the city’s redevelopment  
31 project area for the purpose of including that area within the  
32 project area established by this section. For the purposes of  
33 paragraph (1) of subdivision (b) of Section 8183, the assessed  
34 value of the property detached from the city’s redevelopment  
35 project area and included within the project area established by this  
36 section shall be that portion of the assessed value of that property  
37 upon which taxes were allocated to the taxing agencies  
38 immediately prior to the effective date of the resolution and shall  
39 exclude that portion of the assessed value of that property upon  
40 which taxes were allocated to the city’s redevelopment agency.

1 In the event that the project area is not amended as described in  
2 this section, the city's redevelopment agency may satisfy any  
3 replacement housing obligations that result from the development  
4 of any portion of the blocks bounded on the west by 5th Street, on  
5 the north by "N" Street, on the east by 7th Street, and on the south  
6 by "P" Street within that portion of the project area agreed to by  
7 the authority and the City of Sacramento.

8 (2) The area within the City of Sacramento which is bounded  
9 on the north by "Q" Street, on the south by "S" Street, on the west  
10 by 17th Street, and on the east by the westerly edge of the current  
11 right-of-way for the rail lines running north and south between  
12 19th and 20th Streets, and which is bounded on the north by "R"  
13 ~~Street, on the south by "S" Street, on the west by 7th Street, and~~  
14 ~~on Street, excepting that portion lying between 11th and 12th~~  
15 ~~Streets which northern boundary shall be the alley lying between~~  
16 ~~"R" and "S" Streets, on the south by "S" Street, on the west the~~  
17 ~~10th Street, and on the east by 17th Street, inclusive of the streets~~  
18 ~~therein, which portion of the project area is commonly known as~~  
19 ~~the "R Street Area."~~

20 (b) "Redevelopment plan" means the Capitol Area Plan  
21 approved by the Director of General Services on March 15, 1977,  
22 and referred to in Section 8160, and the plan prepared pursuant to  
23 Section 8182.5, together with documents adopted pursuant to  
24 Section 8183.

25 (c) "Authority" means the Capitol Area Development  
26 Authority created by the joint powers agreement executed  
27 pursuant to Section 8169.4 by the Director of General Services of  
28 the State of California and the Mayor of the City of Sacramento on  
29 July 1, 1978.

30 SEC. 3. Section 8182.5 is added to the Government Code, to  
31 read:

32 8182.5. The authority shall, in cooperation with the City of  
33 Sacramento, prepare an appropriate plan for the development and  
34 redevelopment of that portion of the project area set forth in  
35 paragraph (2) of subdivision ~~(d)~~ (a) of Section 8180 (the R Street  
36 Area), that furthers the purposes and objectives set forth in the  
37 Capitol Area Plan. The plan shall be approved after published  
38 notice and at least one public hearing by the authority.

39 SEC. 4. Section 8183 of the Government Code is amended to  
40 read:

8183. (a) The authority may, by resolution, adopt documents necessary or convenient to the exercise of its powers and may designate that any document shall be incorporated into the redevelopment plan.

(b) Documents adopted pursuant to subdivision (a) may include a requirement that taxes, including possessory interest taxes, levied upon taxable property within the project area after the effective date of the resolution adopting the document or documents be divided as follows:

(1) The portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the project area as shown upon the assessment roll used in connection with the taxation of ~~such~~ *the* property by ~~such~~ *the* taxing agency, last equalized prior to the effective date of ~~such~~ *the* resolution, shall be allocated to, and when collected shall be paid into, the funds of the respective taxing agencies, as taxes by or for said taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory in the project area on the effective date of ~~such~~ *the* resolution but to which ~~such~~ *the* territory has been annexed or otherwise included after ~~such~~ *the* effective date, the assessment roll of the county last equalized on the effective date of said resolution shall be used in determining the assessed valuation of the taxable property in the project area on said effective dates).

(2) The portion of said levied taxes each year in excess of ~~such~~ *that* amount shall be allocated to, and when collected shall be paid into, a special fund of the authority to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the authority to finance or refinance, in whole or in part, the redevelopment of the project area. Unless and until the total assessed valuation of the taxable property in the project exceeds the total assessed value of the taxable property in the project area as shown by the last equalized assessment roll referred to in paragraph (1), all of the taxes levied and collected upon the taxable property in the project area shall be paid into the funds of the respective taxing agencies. When ~~such~~ *these* loans, advances, and indebtedness, if any, and interest thereon have been paid, then all moneys thereafter

1 received from taxes upon the taxable property in the project area  
2 shall be paid into the funds of the respective taxing agencies as  
3 taxes on all other property are paid.

4 (3) For the purpose of allocating taxes pursuant to the  
5 document prepared pursuant to this section, the base year shall  
6 remain fiscal year 1979–80. Commencing with the fiscal year  
7 1982–83, the 1979–80 base year roll shall be adjusted to reflect the  
8 revised project area as set forth in subdivision (a) of Section 8180.

9 (4) For the purposes of the document prepared pursuant to this  
10 section for the portion of the project area set forth in paragraph (2)  
11 of subdivision ~~(d)~~ (a) of Section 8180 (the R Street Area), the base  
12 year shall be the 2001–02 fiscal year. Commencing with the  
13 2002–03 fiscal year, the 2001–02 base year roll shall be adjusted  
14 to reflect the project area set forth in paragraph (2) of subdivision  
15 ~~(d)~~ (a) of Section 8180.

16 (5) The authority shall separately account for the receipt and  
17 expenditures of the allocation of taxes *and rents from state-owned*  
18 *and leased property* derived from that portion of the project area  
19 described in paragraph (2) of subdivision ~~(d)~~ (a) of Section 8180  
20 (the R Street Area).

21 (6) The authority shall not expend or otherwise use the  
22 allocation of taxes received from any other portion of the project  
23 area outside of that portion of the project area described in  
24 paragraph (2) of subdivision ~~(d)~~ (a) of Section 8180 (the R Street  
25 Area), within the R Street Area unless otherwise approved in  
26 writing between the authority and the Director of General  
27 Services.

28 (c) In the proceedings for the advance of moneys, or making of  
29 loans, or the incurring of any indebtedness (whether funded,  
30 refunded, assumed or otherwise) by the authority to finance or  
31 refinance, in whole or in part, the redevelopment project, the  
32 portion of taxes mentioned in paragraph (2) of subdivision (b) may  
33 be irrevocably pledged for the payment of the principal of and  
34 interest on said loans, advances, or indebtedness.

35 (d) Any documents designated to be incorporated into the  
36 redevelopment plan may be adopted at any regular or special  
37 meeting of the authority. Notice of the authority's intent to adopt  
38 ~~such a~~ *the* document shall be stated in the agenda prepared in  
39 connection with the meeting at which the document is adopted,  
40 which agenda shall be made available to the public in the manner

1 specified in Section 54956. No other notice shall be required in  
2 connection with the adoption of ~~such~~ *these* documents.

3 SEC. 5. Section 8191 of the Government Code is amended to  
4 read:

5 8191. (a) Except with respect to taxes allocated to the  
6 authority pursuant to subdivision (b) of Section 8183 which are  
7 used by the authority to make payments with respect to the  
8 installation of street lights and sidewalks within the project area,  
9 not less than 20 percent of ~~such~~ *those* taxes shall be used by the  
10 authority for the purpose of increasing and improving, within the  
11 jurisdiction of the authority, the supply of housing for persons of  
12 low income as defined in Section 50093 of the Health and Safety  
13 Code and for persons and families of moderate income as defined  
14 in Section 50093 of the Health and Safety Code.

15 (b) With respect to taxes allocated to the authority pursuant to  
16 subdivision (b) of Section 8183 from that portion of the project  
17 area described in paragraph (2) of subdivision ~~(d)~~ *(a)* of Section  
18 8180 (the R Street Area), not less than 20 percent of those taxes  
19 from the R Street Area shall be used by the authority for the  
20 purpose of increasing and improving, within the jurisdiction of the  
21 authority within the R Street Area, the supply of housing for  
22 persons of low income, as defined in Section 50093 of the Health  
23 and Safety Code, and for persons and families of moderate income,  
24 as defined in Section 50093 of the Health and Safety Code.

25 SEC. 6. Section 8193.1 is added to the Government Code, to  
26 read:

27 8193.1. (a) Whenever dwelling units located within that  
28 portion of the project area described in paragraph (2) of  
29 subdivision ~~(d)~~ *(a)* of Section 8180 (the R Street Area) and housing  
30 of persons and families of low or moderate income are destroyed  
31 or removed from the low- and moderate-income housing market  
32 as part of a redevelopment project that is subject to a written  
33 agreement with the authority or where financial assistance has  
34 been provided by the authority, the authority shall, within four  
35 years of the destruction or removal, rehabilitate, develop, or  
36 construct, or cause to be rehabilitated, developed, or constructed,  
37 for rental or sale to persons and families of low or moderate  
38 income, an equal number of replacement dwelling units that have  
39 an equal or greater number of bedrooms as those destroyed or  
40 removed units at affordable housing costs within the R Street Area.



1 One hundred percent of the replacement dwelling units shall be  
2 available at affordable housing cost to persons in the same or a  
3 lower income category (low, very low, or moderate) as the persons  
4 displaced from those destroyed or removed units.

5 (b) (1) Prior to the time limit on the authority's activities  
6 established pursuant to Section 8194, at least 30 percent of all new  
7 and substantially rehabilitated dwelling units developed by the  
8 authority within the R Street Area shall be available at affordable  
9 housing cost to persons and families of low or moderate income  
10 and shall be occupied by those persons and families. Not less than  
11 50 percent of the dwelling units required to be available at  
12 affordable housing cost to persons and families of low or moderate  
13 income shall be available at affordable housing cost to, and  
14 occupied by, very low income households.

15 (2) (A) (i) Prior to the time limit on the authority's activities  
16 established pursuant to Section 8194, at least 15 percent of all new  
17 and substantially rehabilitated dwelling units developed within the  
18 R Street Area by public or private entities or persons other than the  
19 authority shall be available at affordable housing cost to persons  
20 and families of low or moderate income and shall be occupied by  
21 those persons and families. Not less than 40 percent of the dwelling  
22 units required to be available at affordable housing cost to persons  
23 and families of low or moderate income shall be available at  
24 affordable housing cost to very low income households and shall  
25 be occupied by those persons and families.

26 (ii) To satisfy this ~~clause~~ *paragraph*, in whole or in part, the  
27 authority may cause, by regulation or agreement, to be available,  
28 at affordable housing costs, to persons and families of low or  
29 moderate income or to very low income households, as applicable,  
30 two units outside the R Street Area for each unit that otherwise  
31 would have been required to be available inside the R Street Area.

32 (iii) As used in this ~~paragraph and in paragraph (1) subdivision~~,  
33 "substantially rehabilitated dwelling units" means substantially  
34 rehabilitated, with authority assistance, multifamily rented  
35 dwelling units with three or more units, or substantially  
36 rehabilitated, with authority assistance, single-family dwelling  
37 units with one or two units.

38 (iv) As used in this ~~paragraph and in paragraph (1) subdivision~~,  
39 "substantial rehabilitation" means rehabilitation, the value of



1 which constitutes 25 percent of the after-rehabilitation value of the  
2 dwelling, inclusive of the land value.

3 (B) To satisfy the requirements of ~~paragraph (1) and~~  
4 ~~subparagraph (A) of paragraph (2)~~ *this subdivision*, the authority  
5 may purchase, or otherwise acquire or cause by regulation or  
6 agreement the purchase or other acquisition of, long-term  
7 affordability covenants on multifamily units that restrict the cost  
8 of renting or purchasing those units that meet either of the  
9 following criteria:

10 (i) The units are not presently available at affordable housing  
11 cost to persons and families of low or very low income.

12 (ii) The units are presently available at affordable housing cost  
13 to these persons and families of low or very low income, but are  
14 units that the authority finds, based upon substantial evidence,  
15 after a public hearing, cannot reasonably be expected to remain  
16 affordable to this same group of persons or families.

17 SEC. 7. Section 8193.2 is added to the Government Code, to  
18 read:

19 8193.2. The requirements of Section 8193.1 shall apply solely  
20 to the portion of the project area described in paragraph (2) of  
21 subdivision ~~(d)~~ (a) of Section 8180 (the R Street Area). The  
22 requirements of Section 8193 shall apply solely to the balance of  
23 the project area, exclusive of the R Street Area.

24 SEC. 8. Section 8194 is added to the Government Code, to  
25 read:

26 8194. The authority shall establish the following time limits  
27 for that portion of the project area described in paragraph (2) of  
28 subdivision ~~(d)~~ (a) of Section 8180 (the R Street Area):

29 (a) A time limit on establishing or incurring loans, advances,  
30 and indebtedness to be paid for with proceeds of property taxes  
31 received pursuant to Section 8183, which limit shall not exceed 20  
32 years from the effective date of this section. However, this limit  
33 may be extended by the authority for 10 additional years if the  
34 authority finds, based upon substantial evidence, both of the  
35 following:

36 (1) Significant blight remains within the R Street Area.

37 (2) This blight cannot be eliminated without the establishment  
38 of additional debt.

39 This limit shall not prevent the authority from incurring debt, to  
40 be paid from that portion of the set-aside collected pursuant to

1 Section 8191 from properties within the R Street Area, in order to  
2 either fulfill the authority's obligations pursuant to Section  
3 8193.1, or to refinance, refund, or restructure an indebtedness after  
4 the time limits if the indebtedness is not increased and the time  
5 during which the indebtedness is to be repaid does not exceed the  
6 date on which the indebtedness would have been paid. The loans,  
7 advances, or indebtedness may be repaid over a period of time  
8 longer than these time limits.

9 (b) A time limit on authority activities within the R Street Area,  
10 which limit shall not exceed 30 years from the effective date of this  
11 section. However, the authority may pay previously incurred  
12 indebtedness and enforce existing covenants, contracts, and other  
13 obligations. This time limit shall not prevent the authority from  
14 fulfilling the authority's obligations pursuant to Section 8193.1.

15 (c) A time limit on receipt of property taxes pursuant to Section  
16 8183 from properties within the R Street Area, which limit shall  
17 not exceed 45 years from the effective date of this section.  
18 However, this limit shall not be construed to affect the validity or  
19 payment of any bond, loans, advances, indebtedness or other  
20 obligation, or the right to receive taxes pursuant to Section 8183  
21 to pay the loans, advances, indebtedness or other obligation to  
22 repay bonds, loans, advances, and indebtedness within those 45  
23 years.

24 (d) A time limit on the commencement of eminent domain  
25 proceedings to acquire property within the R Street Area, which  
26 limit shall not exceed 12 years from the effective date of this  
27 section unless expressly extended by formal action of the  
28 authority. However, in no case shall the limit be extended beyond  
29 the time limit set in subdivision (b).

